

## KEY ASSUMPTIONS

<u>Agencies/Programs</u>	<u>Assumptions</u>
K-12 Tuition Support	1% annual increase (FY14 and FY15)
Full Day Kindergarten	Fully funds grant at \$2,400 per student (FY14 and FY15)
Higher Education Operating	1% annual increase (FY14 and FY15)
Higher Education Repair & Rehabilitation	1/3 of R&R formula in addition to R&R funds appropriated in operating in FY12-13 budget (FY14 and FY15)
Student Financial Aid	Meets 21st Century Scholars and CVO obligations; Holds caps flat (FY14 and FY15)
Higher Education Fee Replacement	Fully funds existing debt service; Assumes no new debt service (FY14 and FY15)
Lease Appropriations	Fully funds debt service obligations (FY14 and FY15)
Pensions	Fully funds Annual Required Contributions (ARCs) for pension obligations (FY14 and FY15)
Other Post Employment Benefits (OPEB)	Fully funds Annual Required Contributions (ARCs) for OPEB obligations (FY14 and FY15)
Medicaid	Fully funds Medicaid forecast (normal growth and woodwork effect) - cost savings initiatives continue (FY14 and FY15)
Hospital Assessment Fee	Continues at current levels
Quality Assessment Fee	Continues at current levels
Department of Correction (DOC)	Fully funds projected contractual increases (FY14 and FY15)
Department of Child Services (DCS)	Fully funds all DCS initiatives requested in FY14-15 biennium (FY14 and FY15)
Lottery	Assumes Lottery performance equals Bid Net Income (BNI) (FY14 and FY15)
Spending	Assumes spending in FY16 and FY17 grows at 1.4% annually
Forecasted Revenues	Assumes revenues in FY16 and FY17 grow at 3.7% annually